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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

MAY - 4 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

Policies and Rules Implementing )  
the Telephone Disclosure and Dispute )  
Resolution Act )

CC Docket No. 93-22  
RM-7990

REPLY

BellSouth Telecommunications, Inc. ("BellSouth") hereby  
files these reply comments in the above-captioned  
rulemaking. The Commission has instituted this proceeding  
to obtain public comment on rules for the provisioning and  
billing of pay-per-call services. Action taken in this  
docket will affect BellSouth both in its capacity as

information and entertainment offerings provided over telecommunications transmission facilities. These services may be priced on a flat rate or usage sensitive basis. In either event, programming charges are in addition to (and often substantially greater than) charges attributable to call transmission. The statutory definition expressly excludes directory services provided by common carriers or their affiliates, tariffed services and services requiring a presubscription or similar arrangement with the service provider.

As an initial matter BellSouth asks the Commission to clarify that the present rulemaking similarly has no application to pay-per-call services offered on an intrastate (or interstate, intraLATA) basis. This limitation is consistent with the language and intent of TDDRA and with the Communication Act's reservation to the states of jurisdictional authority over offerings of an intrastate or local character.<sup>2</sup>

Section 64.1502 Limitations on the Provision of Pay-Per-Call Services.

BellSouth and other parties have demonstrated the impracticality of imposing responsibility on local exchange carriers (LECs) to insure information provider (IP) compliance with pay-per-call regulations. In many instances, LECs are without knowledge as to the identity of

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<sup>2</sup> 47 U.S.C. Section 152(b).

the IP. Similarly, IP compliance (or lack thereof) with preamble requirements, pricing disclosures and other requirements of pay-per-call regulations is not easily detectable by LECs in the ordinary conduct of their business. For these reasons, it is imperative that compliance responsibility rest with the IXCs, who carry out number assignment and maintain an ongoing relationship with their IP customers.

Section 64.1504 Restrictions on the Use of 800 Numbers.

BellSouth continues to generally oppose use of the 800 service code in the offer of pay-per-call services, primarily because of the widespread public association of this arrangement with toll free calling.<sup>3</sup> The proposal advanced by Summit<sup>4</sup> in initial comments represents an application of 800 dialing to the pay-per-call service industry and thus is not favored by BellSouth. At a minimum, the Commission should initiate a rulemaking to consider all aspects of the Summit plan before authorizing its use to provision pay-per-call services.

BellSouth likewise opposes provisioning of pay-per-call services on a collect call basis.<sup>5</sup> As several parties

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<sup>3</sup> BellSouth Comments at 2-3.

<sup>4</sup> Comments of Summit Telecommunications Corp.

<sup>5</sup> BellSouth similarly opposes the use of the international dialing sequence (011+) for pay-per-call services. As BellSouth stated previously, these calls cannot be identified as pay-per-call without customer notification to that effect.

have noted, LECs lack the ability to differentiate such calls from other collect calling, creating the potential for inadvertent disconnection based upon nonpayment<sup>6</sup>.

Furthermore, contrary to what AT&T suggests in its comments, BellSouth does not have the ability to differentiate the non-regulated sponsor charges from the tariff charges.<sup>7</sup> For the same reason, LECs would encounter difficulty in monitoring compliance with any prohibition on carrier billing of these services, as explained in the comments of Pacific Telesis.<sup>8</sup>

Section 64.1506 Number Designation.

As previously discussed, BellSouth maintains that the regulation of intrastate pay-per-call services should be left to appropriate state authority. However, to the extent the Commission deems it necessary to establish rules for state offerings, it should reject the proposal of Sprint to confine intraLATA pay-per-call services to the 976 code.<sup>9</sup> This restriction would adversely affect the public interest by limiting the development of promising abbreviated dialing

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<sup>6</sup> Bell Atlantic at 4; Cincinnati Bell at 2; SNET at 4.

<sup>7</sup> AT&T at 7-8.

<sup>8</sup> PacTel at 10-11.

<sup>9</sup> Sprint at 9.

services, such as N11, at the local level.<sup>10</sup>

Section 64.1508 Blocking Access to 900 Service.

BellSouth opposes those commentators advocating various selective blocking arrangements for pay-per-call services.<sup>11</sup> As previously explained, it is impractical to offer blocking targeted to certain prefixes or pay-per-call programming. BellSouth does not advocate the depletion of network screening capabilities to provide such services, for which demand is predictably limited.<sup>12</sup>

BellSouth further reiterates its opposition to 900 service presubscription, requiring a customer's affirmative election to receive pay-per-call programming. The Commission has disfavored similar arrangements, on grounds that they erect unnecessary barriers to pay-per-call service provisioning.<sup>13</sup> Nothing in initial comments submitted in

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<sup>10</sup> BellSouth recently filed local N11 Abbreviated Dialing Service tariffs in Alabama, Florida, Georgia, and Louisiana. Similar tariffs will be filed in additional states where demand exists. The local N11 tariffs introduce a new serving arrangement for the local calling area that

this proceeding warrants Commission review of the issue.

Section 64.1509 Disclosure and Dissemination of  
Pay-Per-Call Information.

The Commission should reject as impractical suggestions for expanded consumer notification requirements in pay-per-call billing statements.<sup>14</sup> BellSouth's proposal, which includes a brief statement (with contact telephone number) to accompany itemized charges, a White Pages information section and annual billing inserts achieves the proper balance between adequacy of information, accessibility to customers and the requirements of mechanized billing systems. While perhaps not suitable for every LEC, many of these measures have proven their effectiveness in BellSouth's service area and their retention should be permitted. Further, the Commission should accord LECs and all other billing agents reasonable flexibility in meeting notification requirements in lieu of mandating the details of a procedure for all to implement regardless of individual circumstances.

Section 64.1512 Involuntary Blocking of Pay-Per-Call  
Services.

BellSouth continues to support the allowance of LEC-imposed involuntary blocking pursuant to this regulation. BellSouth asks the Commission to clarify that the proposed rule does not require LECs to provide involuntary blocking

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<sup>14</sup> NAAG at 13; Consumer Action at 5-7.

at the option of an IXC or IP.<sup>15</sup> BellSouth does not favor interstate tariffing of the terms and conditions for pay-per-call blocking. Blocking practices are associated with provision of the end user business/residential line and within BellSouth's service area, are actively regulated by state authority.

Section 64.1515 Recovery of Costs.

BellSouth does not favor Sprint's suggestion that pay-per-call implementation costs be recovered through a 900 access surcharge. Many of the costs to BellSouth (e.g., information dissemination, billing procedures, refund requirements) are related to billing and collection activities and not to the provision of access. Thus, BellSouth desires to retain the option of achieving cost recovery through billing and collection charges applied to IXCs and other billing and collection customers. At a minimum, the Commission must consider the diverse parties incurring pay-per-call implementation costs and adopt alternative methods of recovery sufficiently flexible to accommodate the circumstances of all.<sup>16</sup>

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<sup>15</sup> This interpretation was suggested in comments of NYNEX at 4. BellSouth supports the change proposed by NYNEX which would negate the rule's application under such circumstances.

<sup>16</sup> BellSouth also opposes the revision of Parts 32, 36 and 69 advocated by Cincinnati Bell. Cincinnati Bell, at 4. The Commission did not intend for its rules to be used to develop service specific costs. Any changes to these rules should only be considered as part of a comprehensive  
(continued...)

CONCLUSION

BellSouth urges the Commission to adopt rules for the provisioning and billing of interstate pay-per-call services which reflect the views expressed herein and in BellSouth's initial comments, filed April 19, 1993.

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<sup>16</sup>(...continued)  
review. If the Commission does decide to initiate a comprehensive rulemaking, BellSouth and other LECs should not be precluded from recovering their compliance costs during the pendency of such a proceeding.



CERTIFICATE OF SERVICE

I, Sheila Bonner, hereby certify that I have on this 4th day of May, 1993 serviced all parties to this action with a copy of the foregoing REPLY by placing a true and correct copy of same in the United States mail, postage prepaid, to those persons listed on the attached service list.

  
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